



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

December 2, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CARSON
REQUEST FOR SUBORDINATION OF PASS-THROUGH PAYMENTS TO COUNTY
TAXING ENTITIES ON REDEVELOPMENT PROJECTS
(ALL DISTRICTS) (3 VOTES)**

**JOINT RECOMMENDATION OF THE CHIEF ADMINISTRATIVE OFFICER, THE DIRECTOR
OF PUBLIC WORKS, THE FIRE CHIEF, AND THE COUNTY LIBRARIAN THAT YOUR
BOARD:**

Approve the Resolution subordinating the County of Los Angeles' right to receive pass-through payments to the Community Redevelopment Agency of the City of Carson's (Agency) Project Area No. 1 and Merged and Amended Project Area for tax allocation bonds (Bonds).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Agency is preparing to issue Bonds to finance redevelopment activities in the project areas. The subordination is required by law on a timely Agency request and showing that sufficient funds to pay both debt service and pass-through will be available when payments are due.

Implementation of Strategic Plan Goals

This action supports the following County Strategic Plan Goal and Strategy:

Goal: **Fiscal Responsibility** – Strengthen the County's fiscal capacity.

FISCAL IMPACT/FINANCING

Health and Safety Code Section 33607.5(e) provides that pass-through payments to taxing entities may be subordinated to a redevelopment agency's payments for debt service. A county may disapprove a request for subordination only if it finds, based on substantial evidence, that the agency will not be able to pay both the debt service payments and the pass-through payments to the taxing entities. In this instance, the Carson Community Redevelopment

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The Honorable Board of Supervisors
December 2, 2003
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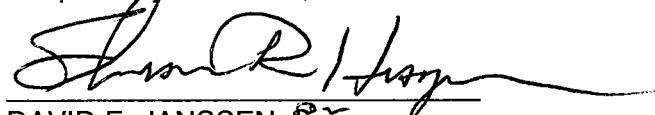
Agency's tax increment projections, reviewed by CAO staff, indicate that there will be sufficient coverage to satisfy the debt service on the Bonds, and the required pass-through payments to the County taxing entities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 33607.5(e)(3) provides: "If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive." This office received requests for subordination of Bonds on October 28, 2003 for Project No. 1 and the Merged and Amended Project. Thus, any action from your Board must be taken on or before December 9, 2003.

At such time as the recommendation is approved by your Board, please return one approved copy of the letter and one signed copy of the Resolution each to: Chief Administrative Office, Office of Unincorporated Area Services and Special Projects; and the Auditor-Controller, Tax Division.

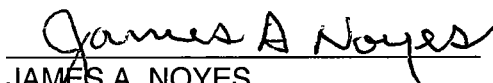
Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer



P. MICHAEL FREEMAN
Fire Chief



JAMES A. NOYES
Director of Public Works



MARGARET DONNELLAN TODD
County Librarian

DEJ:PMF
JAN:MDT:nl

Attachment

c: County Counsel
Auditor-Controller
Agency Administrator, Carson Redevelopment Agency

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES SUBORDINATING THE COUNTY OF LOS ANGELES' RIGHT TO
RECEIVE PASS-THROUGH PAYMENTS TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF CARSON'S PROJECT AREA NO. 1 AND MERGED AND
AMENDED PROJEC AREA FOR TAX ALLOCATION BONDS**

WHEREAS, the Community Redevelopment Agency of the City of Carson (the "Agency") on October 28, 2003 by letter advised its intention to issue certain bonds (the "Bonds") payable from and secured by a pledge of certain Project No. 1 and Merged and Amended Project Area tax increment revenues, and requested of the County of Los Angeles (the "County"), the Los Angeles County Consolidated Fire Protection District ("the Fire District"), the Los Angeles County Flood Control District ("the Flood Control District") and the Los Angeles County Public Library District ("the Public Library District") that any and all payments which the County, the Fire District, the Flood Control District, and the Public Library District are entitled to receive pursuant to Health & Safety Code Section 33607.5 ("Section 33607.5") from Project No. 1 and the Merged and Amended Project Area be subordinated to payments by the Agency of principal of and interest on Project No. 1 and the Merged and Amended Project Area Bonds; and

WHEREAS, the requested subordination does not lessen or eliminate the Agency's obligation to make the required payments to the County, the Fire District, the Flood Control District, and the Public Library District under Section 33607.5 and is intended to permit the Agency to obtain a higher credit rating on its bonds and thus lower the Agency's financing costs; and

WHEREAS, Section 33607.5 provides that at the time the redevelopment agency requests an affected taxing entity to subordinate the amount to be paid to it, the agency shall provide substantial evidence that sufficient funds will be available to pay both the debt service and the required payments to the taxing entity, that the taxing entity shall approve or disapprove the request for subordination within 45 days after the receipt of a letter requesting such subordination, and that the taxing entity may disapprove such request only if it finds, based upon substantial evidence, that the agency will not be able to pay the debt payments and the amount required to be paid to the taxing entity under Section 33607.5; and

WHEREAS, the Agency has presented evidence demonstrating its ability to make the required payments to the County, the Fire District, the Flood Control District, and the Public Library District after payment of debt service on Project No. 1 and the Merged and Amended Project Area.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles that:

The County, the Fire District, the Flood Control District, and the Public Library District hereby agree that so long as Project No. 1 and the Merged and Amended Project Area Bonds remain outstanding, any and all payments which the County, the

Fire District, the Flood Control District, and the Public Library District are entitled to receive from Project No. 1 and the Merged and Amended Project Area pursuant to Section 33607.5 shall be and shall remain subordinate to the payments pledged from Project No. 1 and the Merged and Amended Project Area to pay the principal of and interest on Project No. 1 and the Merged and Amended Project Area.

The foregoing resolution was on the _____ day of _____, 2003, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

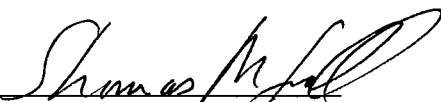
County of Los Angeles, Fire District, Flood Control District, and Public Library District.

VIOLET VARONA-LUKENS, Executive Officer
Clerk of the Board of Supervisors
of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL

LLOYD W. PELLMAN

By 
Thomas M. Tyrrell
Principal Deputy